

CO-OPERATION: A DIFFERENT WAY OF ORGANISING WORK

ADDRESS TO BE DELIVERED BY THE MINISTER FOR THE ARTS AND MINISTER FOR POLICE AND EMERGENCY SERVICES, MR. RACE MATHEWS, AT THE MINISTERIAL ADVISORY COMMITTEE ON CO-OPERATION SEMINAR, 23 JUNE, 1984

RENAISSANCE

AUSTRALIA'S LAST HAND GLASS-BLOWING, PRESSING AND CENTRIFUGING OPERATION WAS CLOSED DOWN TWO YEARS AGO BY ITS OVERSEAS OWNERS, AND TODAY IS BACK IN BUSINESS AS A WORKER CO-OPERATIVE, WITH \$80,000 IN CAPITAL INVESTED BY THE FORMER EMPLOYEES WHO ARE NOW ITS OWNERS AND DIRECTORS. ONE OF AUSTRALIA'S THREE MAJOR MANUFACTURERS OF COMMERCIAL REFRIGERATION EQUIPMENT WAS OFFERED FOR SALE BY ITS OWNERS IN ANOTHER STATE, AND HAS NOW BEEN BOUGHT AS A WORKER CO-OPERATIVE BY ITS FORMER EMPLOYEES, WITH \$300,000 OF THEIR OWN AND \$850,000 IN VENDOR FINANCE. FITTERS AND APPRENTICES EMPLOYED FORMERLY IN A SUBURBAN DIVISION OF AUSTRALIA'S LARGEST GEAR-BOX MANUFACTURER ARE NOW KEEPING THE BUSINESS GOING AS A WORKER CO-OPERATIVE, IN THE FACE OF THE OVERSEAS COMPETITION WHICH DECIDED THE PREVIOUS OWNER ON CLOSING IT DOWN. A COMPANY MANUFACTURING CUSTOM-DESIGNED SWITCHBOARDS, AND FACED WITH CLOSURE FOLLOWING THE BANKRUPTCY OF ITS FORMER PROPRIETORS, HAS INSTEAD BECOME A WORKER CO-OPERATIVE, AS HAS A FORMER FAMILY CONCERN, WHOSE PRODUCTS INCLUDE ROAD ROLLERS, TRACTORS, CONCRETE MIXERS AND BITUMEN SPRAYERS. THESE ARE ALL CONVERSION CO-OPERATIVES ESTABLISHED OVER THE LAST TWO YEARS WITH ASSISTANCE FROM THE NEW SOUTH WALES COMMON OWNERSHIP DEVELOPMENT AGENCY. THE AGENCY, IN ADDITION, HAS HELPED TO ESTABLISH NEW START-UP CO-OPERATIVES IN PRINTING, COMPUTER SOFTWARE AND THE HIRING OUT OF MUSICAL EQUIPMENT AND RECORDING STUDIO FACILITIES.

VICTOR HUGO WROTE MORE THAN A CENTURY AGO THAT "NOTHING IN THIS WORLD IS SO POWERFUL AS AN IDEA WHOSE TIME HAS COME". CO-OPERATION CURRENTLY IS SUCH AN IDEA. INCREASINGLY, THE IDEALS, PHILOSOPHY AND PRACTICE OF CO-OPERATION ARE FIRING THE IMAGINATION OF ORDINARY MEN AND WOMEN THROUGHOUT A DEVELOPED WORLD WHICH FINDS ITSELF - AGAINST ALL EXPECTATION - UNEMPLOYMENT-BESET, INFLATION-RIDDEN, ECONOMICALLY PERPLEXED AND INTERNALLY DIVIDED. WORLDWIDE, THE NUMBER OF CO-OPERATIVES IS GROWING DAILY. THE CO-OPERATIVE MOVEMENT IS EMBARKING ON A RENAISSANCE, FOR REASONS WHICH ARE PLAIN, POWERFUL AND PROFOUND.

CONFLICT

ALL OF US ARE THE POORER FOR OUR ADVERSARIAL APPROACH TO INDUSTRIAL, ECONOMIC AND SOCIAL RELATIONS. AS A SOCIETY, WE ARE ALL PAYING FAR MORE THAN WE CAN AFFORD FOR OUR ACCEPTANCE OF ENVY AND GREED AS THE DRIVING FORCES OF OUR WAY OF LIFE. THE IRON GRIP OF ADVERSARIAL THINKING ON ALL OUR ACTIONS MEANS THAT, INDIVIDUALLY AND AS GROUPS, OUR GAINS ARE OBTAINED - OR SEEN TO BE OBTAINED - AT THE EXPENSE OF OUR WORKMATES, NEIGHBOURS AND FELLOW AUSTRALIANS. AS A RESULT, THE AVERAGE AUSTRALIAN FEELS INCREASINGLY THAT HE IS BEING RIPPED-OFF, GOT AT AND DONE DOWN IN THE STRUGGLE FOR THE GOOD LIFE, THROUGH PROCESSES WHICH WOULD BE UNTHINKABLE IF IT WERE NOT FOR THE SELFISHNESS AND BLOODY-MINDEDNESS OF EVERYBODY EXCEPT HIMSELF. THE OLD FEEL DISADVANTAGED AT THE HANDS OF THE YOUNG, AS DO INVESTORS AND THE SELF-EMPLOYED AT THE HANDS OF THE TRADE UNION MOVEMENT, INDIVIDUAL TRADE UNIONS AT THE HANDS OF OTHER TRADE UNIONS, THE GOVERNED AT THE HANDS OF THE GOVERNMENT, THE UNEMPLOYED AT THE HANDS OF THE EMPLOYED, WOMEN AT THE HANDS OF MEN, AND, IN EACH CASE, VICE-VERSA. THERE IS A DEEP WEARINESS IN ALL SECTIONS OF OUR COMMUNITY WITH CONFLICT AND DIVISION. THERE IS A DEEP LONGING FOR NEW AND BETTER WAYS OF LIVING TOGETHER AND RESOLVING OUR DIFFERENCES, WHICH CAN BE ADOPTED IN PLACE OF STRIFE.

IGNORANCE

AGAIN, WE HAVE ALL SEEN THE IMMENSE POWER OF INVINCIBLE ECONOMIC IGNORANCE DEMONSTRATED ONCE AGAIN IN RECENT WEEKS, IN THE MYTH THAT WE HAVE ALL PAID FOR AN OLD AGE PENSION WHICH WE ARE ENTITLED TO RECEIVE AUTOMATICALLY WHEN WE RETIRE FROM THE WORKFORCE. AUSTRALIA'S EFFORTS TO IMPLEMENT RATIONAL AND EQUITABLE ECONOMIC POLICIES ARE FRUSTRATED CONSTANTLY BY THE FACT THAT MOST OF US HAVE NEITHER THE OPPORTUNITY NOR THE INCENTIVE TO GAIN AN UNDERSTANDING OF EVEN THE MOST ELEMENTARY FACTS OF ECONOMIC LIFE. MOST OF US NEVER CONTROL THE WAY OUR DAILY WORK IS DONE, OR THE USES TO WHICH IT IS PUT. THE PROFITS OR LOSSES FROM WORK ARE NOT OUR OWN, ANY MORE THAN THOSE FROM OUR SPENDING AS CONSUMERS, OUR RENT AS TENANTS OR THE REAL EARNINGS OF OUR SAVINGS. THERE IS LITTLE INCENTIVE FOR US TO PUT EXTRA EFFORT AND UNDERSTANDING INTO WORK OR ANY OF OUR OTHER ECONOMIC FUNCTIONS, BECAUSE, OVERWHELMINGLY, THE BENEFIT WILL BE CREAMED OFF BY OTHERS, WHO ALREADY ARE BETTER OFF BY FAR THAN OURSELVES. ANY ECONOMIC CONSEQUENCES OF OUR ATTITUDES AND ACTIONS CAN BE LEFT TO THE BOSS, OR THE GOVERNMENT, ALONG WITH ALL THE OTHER ECONOMIC ISSUES WE ARE NEVER ALLOWED TO HANDLE FOR OURSELVES. THERE IS A DEEP NEED FOR NEW ARRANGEMENTS WHICH ENABLE US FOR THE FIRST TIME TO SEIZE CONTROL OF OUR LIVES AS WORKERS, CONSUMERS, TENANTS AND INVESTORS, AND PARTICIPATE MORE EFFECTIVELY IN THE MAKING OF ECONOMIC DECISIONS, WITH A CLEAR UNDERSTANDING OF THEIR WIDER CONSEQUENCES. THERE IS A DEEP NEED FOR MORE AUSTRALIANS TO BECOME ECONOMICALLY WELL-INFORMED, AND WILLING, WHERE NECESSARY, TO PUT BEFORE THEIR PRIVATE INTERESTS THOSE OF THE COMMUNITY AS A WHOLE. WE MUST NOT ALLOW OURSELVES TO BE FOBBED OFF WITH HALF-MEASURES SUCH AS PROFIT-SHARING, WHEN WHAT OUR PREDICAMENT DEMANDS IS A FAIR SHARING OF BOTH PROFITS AND POWER.

UNDER-CLASS

FINALLY, THERE IS SOMETHING APPALLINGLY WRONG WITH A SITUATION WHERE A NATION AS RICHLY ENDOWED AS AUSTRALIA HAS UP TO ONE IN EVERY SEVEN OF ITS CITIZENS EKEING OUT A PRECARIOUS EXISTENCE BELOW AN AUSTERE POVERTY LINE; WHERE 10% AND MORE OF THOSE WHO WANT JOBS ARE UNABLE TO FIND THEM, AND EVERY FORM OF JOB-CREATING ACTIVITY - FROM BUILDING A HOUSE TO STARTING A BUSINESS - CAN BE OBSTRUCTED OR ABORTED BY THE HIGH PRICE OF MONEY. THE EXISTENCE OF AN UNDER-CLASS WHOSE MEMBERS ARE PERMANENTLY UNEMPLOYED OR OTHERWISE IMPOVERISHED IS RAPIDLY BECOMING AS REAL IN AUSTRALIA AS IN BRITAIN AND THE UNITED STATES.

IT IS A SCANDAL THAT SO MUCH OF THE CAPITAL WHICH IS CREATED FROM THE LABOUR AND SAVINGS OF ORDINARY WORKING MEN AND WOMEN GETS USED TO DESTROY JOBS INSTEAD OF CREATING THEM. THERE IS A DEEP AND INCREASINGLY ANGRY DEMAND FOR WAYS OF INVESTING OUR CAPITAL WHICH PUT THE UNEMPLOYED BACK TO WORK INSTEAD OF ADDING TO THEIR NUMBER.

CO-OPERATIVE ALTERNATIVE

THE CO-OPERATIVE IDEAL CAN CONTRIBUTE POWERFULLY TO OVERCOMING ALL THESE PROBLEMS. IT OFFERS US A PRECIOUS OPPORTUNITY TO SET ABOUT REPAIRING THE RIFTS WHICH CURRENTLY DISFIGURE AND CRIPPLE OUR COMMUNITY. THE WAY HAS BEEN OPENED FOR US TO EXTEND THE POWER AND RESPONSIBILITY OF ECONOMIC DECISION-MAKING MUCH MORE WIDELY AMONG AUSTRALIANS WHO CURRENTLY ARE EXCLUDED OR ALIENATED FROM IT. HIGHER RATES OF UNEMPLOYMENT, GREATER ECONOMIC GROWTH AND GREATER EQUITY IN THE DISTRIBUTION OF THE REWARDS OF ECONOMIC GROWTH ARE WITHIN OUR REACH, IF THERE IS THE WIT AND WILL FOR US TO AVAIL OURSELVES OF THEM.

DEPENDING ON THE NATURE OF THE CO-OPERATIVES WHICH ARE FORMED, THE IMPACT OF CO-OPERATION CAN RANGE FROM RELATIVELY MINOR CHANGES IN THE WAYS WE SEE OURSELVES AND RELATE TO ONE ANOTHER, TO A TOTAL TRANSFORMATION IN OUR LIVES. CONSUMER CO-OPERATIVES ENABLE THEIR MEMBERS TO DETERMINE THE RANGE AND QUALITY OF THE GOODS WHICH ARE MADE AVAILABLE TO MEET THEIR NEEDS, AND SHARE EQUALLY AMONG THEMSELVES THE PROFIT FROM THEIR PURCHASES. CREDIT CO-OPERATIVE MEMBERS BENEFIT FROM AND DIRECT THE USES OF THEIR SAVINGS, AS DO RENTAL CO-OPERATIVE MEMBERS IN THE CASE OF HOUSING STOCK, AND MEMBERS OF AGRICULTURAL CO-OPERATIVES IN THE CASE OF PRODUCT MARKETING RESOURCES. WORKER CO-OPERATIVE MEMBERS OWN AND CONTROL THEIR MEANS OF PRODUCTION FOR THEMSELVES, PARTICIPATING ON AN EQUAL FOOTING IN THE MAKING OF DECISIONS, BENEFITING EQUALLY WHEN THERE IS A PROFIT, AND SACRIFICING EQUALLY WHERE THERE IS A LOSS. SPAIN'S MONDRAGON GROUP OF CO-OPERATIVES EXEMPLIFIES THE WORKER CO-OPERATIVE AS A TOTAL WAY OF LIFE. THE CANADIAN NATIONAL TASK FORCE ON CO-OPERATIVE DEVELOPMENT HAS DESCRIBED WORKER CO-OPERATIVES AS 'THE NEXT GREAT FRONTIER OF THE CO-OPERATIVE MOVEMENT'. CLEARLY, WORKER CO-OPERATIVE MEMBERS HAVE THE GREATEST POSSIBLE INCENTIVE TO IMPROVE THEIR PRODUCTIVITY, WHILE THEIR DIRECT INVOLVEMENT IN THE BUSINESS DECISIONS OF THE CO-OPERATIVES ENABLE THEM TO MAKE SUGGESTIONS WHICH REALLY COUNT. THE MONDRAGON CO-OPERATIVES ARE ON AN AVERAGE 12% MORE PRODUCTIVE THAN COMPARABLE PRIVATE SECTOR ENTERPRISES IN SPAIN. WORKERS WHO OWNED THE WHOLE FRUITS OF BOTH LABOUR AND CAPITAL WOULD BE ABLE TO ACCEPT MORE READILY THE HIGH LEVELS OF REINVESTMENT ON WHICH AUSTRALIA'S FUTURE ECONOMIC WELL-BEING SO LARGELY DEPENDS.

PRINCIPLES AND PHILOSOPHY OF CO-OPERATION

IRRESPECTIVE OF WHETHER ITS MEMBERS HAVE COME TOGETHER AS CONSUMERS, SAVERS, TENANTS, FARMERS OR WORKERS, A CO-OPERATIVE REFLECTS IN ITS STRUCTURE THE RULES, PRACTICES AND ENDURING

PRINCIPLES AND PHILOSOPHY OF CO-OPERATION, AS THEY HAVE REMAINED UNCHANGED SINCE THEIR ADOPTION FOR THE FIRST TIME BY THE FOUNDERS OF THE MOVEMENT, THREE HUNDRED AND MORE YEARS AGO.

MEMBERSHIP OF A CO-OPERATIVE IS VOLUNTARY, AND OPEN TO ANY PERSON WHO IS WILLING TO ACCEPT ITS RESPONSIBILITIES. MANAGERS OF CO-OPERATIVES ARE ELECTED OR APPOINTED BY THE MEMBERS, AND ACCOUNTABLE TO THEM. RETURN ON SHARES IS LIMITED TO A FIXED INTEREST RATE, AND ANY SURPLUS IS DISTRIBUTED AMONG MEMBERS IN PROPORTION TO THEIR PARTICIPATION IN THE FORM OF WORK OR PURCHASES. A CO-OPERATIVE EDUCATES ITS MEMBERS IN THE PHILOSOPHY AND PRACTICE OF CO-OPERATION, AND WORKS TOGETHER WITH OTHER CO-OPERATIVES AT THE LOCAL, NATIONAL AND INTERNATIONAL LEVELS.

WORKER CO-OPERATIVES, AS THE MOST HIGHLY DEVELOPED AND ALL-EMBRACING FORM OF CO-OPERATIVE, EMBODY ALL THESE PRINCIPLES OF CO-OPERATION IN SPECIAL WAYS OF THEIR OWN. THE "OPEN ACCESS" OR ENFRANCHISEMENT PRINCIPLE OPERATES IN OTHER KINDS OF CO-OPERATIVES TO ELIMINATE DISCRIMINATION ON THE GROUNDS OF COLOUR, RACE, GENDER, POLITICAL BELIEF OR RELIGION. ITS EFFECT IN THE CASE OF WORKER CO-OPERATIVES IS TO RULE OUT THE DEVELOPMENT OF MEMBERS AND EMPLOYEES AS, RESPECTIVELY, PRIVILEGED AND UNDER-PRIVILEGED CLASSES. ALL THE WORKERS IN A WORKER CO-OPERATIVE ARE MEMBERS, AS ARE ALL ITS MEMBERS WORKERS. THE KEY FUNCTIONS OF OWNERSHIP AND CONTROL OF THE CO-OPERATIVE ARE VESTED EXCLUSIVELY IN THOSE WITH THE GREATEST STAKE IN ITS SUCCESS.

AGAIN THE PRINCIPLES OF DEMOCRATIC CONTROL PROVIDE MEMBERS OF CO-OPERATIVES OF OTHER KINDS WITH AN EQUAL SAY IN THEIR AFFAIRS. IN THE CASE OF WORKER CO-OPERATIVES, ITS EFFECT ADDITIONALLY IS TO SUBORDINATE THE DELEGATED POWER OF MANAGERS AND ADMINISTRATORS

TO THE CONTROL OF MEMBERS. THE RIGHTS OF CAPITAL ARE SUBORDINATED TO THOSE OF LABOUR. WORKER CO-OPERATIVES ARE STRUCTURED ON THE BASIS THAT THEY ARE GEARED PRIMARILY TO THE INTERESTS OF THEIR MEMBERS. THE MEMBERS IDENTIFY AND DEFINE THEIR INTERESTS FOR THEMSELVES, THROUGH MECHANISMS WHICH GUARANTEE THAT THEY ARE FULLY CONSULTED, AND THEIR WISHES ARE HEARD.

FINALLY, THE PRINCIPLE OF LIMITED RETURN ON CAPITAL LIMITS THE INTEREST WHICH IS PAID BY CO-OPERATIVES OF OTHER KINDS TO THE MINIMUM NECESSARY IN ORDER TO MEET THEIR CAPITAL REQUIREMENTS. ITS OUTCOME, ADDITIONALLY, IN THE CASE OF WORKER CO-OPERATIVES, IS TO MAINTAIN THE PROVISION OF JOBS FOR THEIR MEMBERS AS THEIR CENTRAL ROLE, AND SEE THAT THEY DO NOT DEGENERATE INTO A FORM OF "PEOPLE'S CAPITALISM". THE INVESTOR TAKES THE WORKER'S PLACE IN ACCEPTING A FIXED RETURN ON HIS CAPITAL, AND THE WORKER THE INVESTOR'S ENTREPRENEURIAL ROLE, ALONG WITH THE PROFIT OR LOSS. THE PRINCIPLE OF PROFIT DISTRIBUTION REINFORCES THIS EFFECT WITH ITS AFFIRMATION OF THE RIGHT OF WORKERS IN A WORKER CO-OPERATIVE TO HAVE EXCLUSIVE BENEFIT FROM THE SURPLUS CREATED BY THEIR LABOUR.

EDUCATION

THE NEW POPULARITY OF THE CO-OPERATIVE IDEAL WILL NOT IN ITSELF PROVIDE AUSTRALIA WITH MORE NUMEROUS OR SUCCESSFUL CO-OPERATIVES. FOR THAT TO HAPPEN, THERE MUST BE MORE EDUCATION IN CO-OPERATIVE MATTERS, AND MORE MONEY. MONDRAGON, FOR EXAMPLE, PROVIDES AN EDUCATION IN CO-OPERATION FOR 6000 STUDENTS AT NURSERY, PRIMARY AND SECONDARY SCHOOLS WHICH ARE THEMSELVES CO-OPERATIVES. THE SYSTEM INCLUDES AN INTERNATIONALLY FAMOUS TECHNICAL SCHOOL, WHERE COURSES ARE ADJUSTED CONSTANTLY TO MEET THE TECHNOLOGICAL AND MANPOWER NEEDS OF THE MONDRAGON CO-OPERATIVE FACTORIES. IN 1966, THE STUDENTS OF THE TECHNICAL COLLEGE FORMED THEIR

OWN TRADING CO-OPERATIVE KNOWN AS ALECOOP. ALECOOP'S 500 MEMBERS ATTEND CLASSES FOR FIVE HOURS EACH DAY, AND WORK FIVE HOURS FOR THE CO-OPERATIVE. THE CO-OPERATIVE INITIALLY DID EVERYTHING FROM DIGGING DITCHES TO MANUFACTURING BALCONY RAILS, AND NOW PRODUCES TEACHING EQUIPMENT FOR CUSTOMERS WHO INCLUDE SPAIN'S MINISTRY OF EDUCATION. ITS EARNINGS HELP THE MEMBERS TO PAY THEIR FEES AND HOSTEL COSTS, WHILE THEY GAIN PRACTICAL EXPERIENCE OF THE CO-OPERATIVE WAY OF LIFE.

SIMILAR SCHOOL CO-OPERATIVES HAVE BEEN ESTABLISHED IN SWEDEN, POLAND AND FRANCE, WHILE CO-OPERATION COURSES ARE OFFERED IN THESE THREE COUNTRIES ALONG WITH GERMANY, ARGENTINE AND CANADA. CANADA HAS ITS OWN CO-OPERATIVE COLLEGE, WHILE CO-OPERATIVE STUDIES AT A TERTIARY LEVEL ARE ALSO OFFERED BY TORONTO'S YORK UNIVERSITY, AND CO-OPERATIVE COURSES ARE COMPULSORY IN MANITOBA'S SCHOOLS. IN BRITAIN, WORKER CO-OPERATIVES AND THEIR MEMBERS CAN DRAW ON EXTENSIVE EDUCATIONAL RESOURCES, WHICH HAVE BEEN DEVELOPED UNDER THE AUSPICES OF THE CO-OPERATIVE MOVEMENT'S OWN CO-OPERATIVE COLLEGE, BEECHWORTH COLLEGE, THE COMMONWEALTH TRUST, THE LONDON COUNCIL OF VOLUNTARY SERVICE AND THE NATIONAL COUNCIL OF VOLUNTARY ORGANISATIONS. FRANCE HAS ITS ECOLE TECHNIQUE CO-OPERATIVE, AS HAS ITALY ITS INSTITUTO NAZIONALE PER L'EDUCAZIONE CO-OPERATIVE, AUSTRIA ITS COLLEGE OF CONSUM OSTERREICH AND SPAIN ITS CENTRO NACIONAL DE EDUCACION CO-OPERATIVE.

AUSTRALIA, UNHAPPILY, IS LESS WELL OFF. WORKER CO-OPERATIVES AND THEIR MEMBERS RELY FOR CO-OPERATIVE EDUCATION ON A SINGLE COURSE AT VICTORIA'S PRESTON COLLEGE OF TECHNICAL AND FURTHER EDUCATION, TOGETHER WITH AD HOC ADVICE, TRAINING AND GUIDANCE PROVIDED THROUGH GOVERNMENT CO-OPERATIVE DEVELOPMENT PROGRAMS IN VICTORIA AND NEW SOUTH WALES. ALL THESE RUDIMENTS OF A PROPER CO-OPERATIVE TRAINING AND EDUCATION SYSTEM HAVE PROVED

THEIR WORTH, BUT THEY ARE ALL GROSSLY UNDER-FINANCED AND OVER-EXTENDED. WE CANNOT EXPECT TO SUCCESSFULLY FURTHER EXPAND AUSTRALIA'S CO-OPERATIVE SECTOR WITHOUT INVESTING MUCH MORE HEAVILY IN CO-OPERATIVE EDUCATION. AUSTRALIA NEEDS A NATIONAL CO-OPERATIVE COLLEGE. IN THE MEANTIME, COURSES IN CO-OPERATION SHOULD BE PROVIDED AND PROMOTED THROUGH THE TRADE UNION TRAINING AUTHORITY. THERE SHOULD BE BODIES LIKE THE NEW SOUTH WALES COMMON OWNERSHIP DEVELOPMENT AGENCY IN EVERY STATE, SO THAT BOTH NEW AND ESTABLISHED CO-OPERATIVES CAN RECEIVE ON-GOING ADVISORY SUPPORT.

FINANCE

GETTING A NEW CO-OPERATIVE OFF THE GROUND ALSO TAKES CASH. MACHINERY AND AN INITIAL STOCK OF RAW MATERIALS MAY HAVE TO BE BOUGHT, AND WAGES, RENT AND OTHER RECURRENT OUTLAYS MAY HAVE TO BE MET FROM CARRY-ON FINANCE WHILE PROFITABILITY IS BEING ACHIEVED. IN SPAIN, THE MONDRAGON CO-OPERATIVES UNDERWRITE THE PROCESS OF LAUNCHING ADDITIONAL CO-OPERATIVES THROUGH THEIR OWN BANK - THE CAJA LABORAL POPULAR. BRITAIN HAS ITS CENTRAL CO-OPERATIVE DEVELOPMENT AGENCY, TOGETHER WITH EIGHTY OR MORE LOCAL CO-OPERATIVE DEVELOPMENT AGENCIES, WHILE IN NEW SOUTH WALES GOVERNMENT FINANCE FOR WORKER CO-OPERATIVES IS MADE AVAILABLE THROUGH THE COMMON OWNERSHIP DEVELOPMENT AGENCY. EXTENSIVE EXPERIENCE, IN AUSTRALIA AS ELSEWHERE, HAS DEMONSTRATED CONCLUSIVELY THAT GOVERNMENT FUNDS FOR WORKER CO-OPERATIVES SHOULD BE MADE AVAILABLE MAINLY IN THE FORM OF LOANS FOR CAPITAL EQUIPMENT AND WORKING CAPITAL REQUIREMENTS. GRANTS SHOULD BE LIMITED TO SUCH PRE-OPERATIONAL COSTS AS FEASIBILITY STUDIES, PROFESSIONAL ADVICE AND THE LEGAL COSTS OF INCORPORATION. AS WELL, CO-OPERATIVES EVERYWHERE ARE OBLIGHED TO LOOK BEYOND GOVERNMENT AND MEET MAJOR CAPITAL REQUIREMENTS THROUGH SUCH

MECHANISMS AS RAISING LOANS FROM BANKS AND OTHER TRADITIONAL SOURCES, ACCEPTING EXTERNAL SHAREHOLDERS AND MAKING IT A CONDITION OF MEMBERSHIP THAT MEMBERS SHOULD "BUY-IN" WITH AN INITIAL CAPITAL CONTRIBUTION, WHICH CAN RANGE AS HIGH AS A HALF YEAR'S EARNINGS.

REPAYMENTS ON GOVERNMENT LOANS SHOULD GO TO CREATE A PERMANENT REVOLVING FUND, TO OFFSET WHAT EXPERIENCE HAS ENABLED THE NEW SOUTH WALES COMMON OWNERSHIP DEVELOPMENT AGENCY TO IDENTIFY AS "... THE CONSERVATISM OF TRADITIONAL SOURCES OF FINANCE, PARTICULARLY IN REGARD TO COLLATERAL; THEIR PREJUDICE AGAINST NEW FORMS OF OWNERSHIP, PARTICULARLY WORKER OWNERSHIP; AND THEIR RELUCTANCE AND RELATIVE INEFFECTIVENESS IN DEALING WITH THE SMALLER END OF THE BUSINESS SECTOR". CLEARLY, IT WOULD BE OF IMMENSE ADVANTAGE IF ARRANGEMENTS ALONG THESE LINES COULD BE INTRODUCED IN ALL AUSTRALIA'S STATES AND TERRITORIES.

IN ADDITION, THE CO-OPERATIVE MOVEMENT HAS LARGE RESOURCES OF ITS OWN, BUT LACKS THE FINANCIAL INSTITUTIONS WHICH WOULD ENABLE THEM TO BE PUT TO THE BEST POSSIBLE USE. THIS WILL BE REMEDIED IF PLANS FOR A CO-OPERATIVE BANK CAN NOW BE BROUGHT TO FRUITION. A CO-OPERATIVE BANK OF AUSTRALIA WOULD BE AN IMPORTANT STEP TOWARDS WORKER CO-OPERATIVES OBTAINING BACKING NOT FROM THE AFFILIATES OF STATE CO-OPERATIVE FEDERATIONS ALONE, BUT ALSO FROM THE CREDIT UNION AND BUILDING SOCIETY MOVEMENTS. IN TIME, THE NEW BANK COULD BE EXPECTED TO EQUIP ITSELF WITH RESEARCH AND PLANNING FACILITIES SPECIFICALLY ORIENTED TO THE NEEDS OF WORKER CO-OPERATIVES, SUCH AS THOSE OF THE "EMPRESARIAL" DIVISION OF MONDRAGON'S CAJA LABORAL POPULAR. IT WOULD BE INDEFENSIBLE FOR OUR NATIONAL GOVERNMENT TO INTEREST ITSELF EXCLUSIVELY IN THE ISSUE OF ADMITTING OVERSEAS BANKS TO AUSTRALIA, WHEN AS WELL

WE SHOULD BE EXPEDITING THE ESTABLISHMENT OF A CO-OPERATIVE BANK OF AUSTRALIA. OUR UNSWERVING AIM SHOULD BE TO HAVE ESTABLISHED IN AUSTRALIA CO-OPERATIVE FUNDING ARRANGEMENTS WHICH EQUAL AND ULTIMATELY EXCEL THOSE THROUGH WHICH THE TRIUMPHANT SUCCESS OF THE MONDRAGON BANK HAS BEEN ACHIEVED.

STRENGTH

CO-OPERATIVE EDUCATION AND GOVERNMENT FUNDING FOR CO-OPERATIVES ARE AMONG A WIDE RANGE OF ISSUES WHICH ARE BEING EXAMINED CURRENTLY IN VICTORIA BY THE MINISTERIAL ADVISORY COMMITTEE ON CO-OPERATION. THE COMMITTEE WAS ESTABLISHED BY THE MINISTER FOR HOUSING IN HIS ROLE AS MINISTER WITH RESPONSIBILITY FOR THE CO-OPERATION ACT. ITS AIM IS TO PROVIDE VICTORIA WITH A PRACTICAL AND COMPREHENSIVE PLAN FOR CO-OPERATIVE DEVELOPMENT.

AT PRESENT VICTORIA HAS 3400 CO-OPERATIONS, WITH HALF A MILLION WORKERS AND ASSETS TOTALLING \$6 BILLION. OVERWHELMINGLY, THESE ARE COMMUNITY ADVANCEMENT CO-OPERATIVES, CONSUMER CO-OPERATIVES, CREDIT CO-OPERATIVES AND PRODUCT MARKETING CO-OPERATIVES. THE NUMBER OF WORKER CO-OPERATIVES AND RENTAL HOUSING CO-OPERATIVES REMAINS PITIFULLY SMALL.

WE SHOULD NOW NOTE THE STRENGTH OF WORKER CO-OPERATIVES IN COUNTRIES COMPARABLE WITH OUR OWN. SINCE 1975, 800 NEW WORKER CO-OPERATIVES HAVE BEEN ESTABLISHED IN THE UNITED KINGDOM, AND A FURTHER WORKER CO-OPERATIVE COMES INTO EXISTENCE EVERY DAY. THIS RESULTS IN PART FROM SUPPORT GIVEN TO BRITAIN'S LONG ESTABLISHED CO-OPERATIVE UNION BY VIGOROUS NEWCOMERS, INCLUDING THE INDUSTRIAL COMMON OWNERSHIP MOVEMENT, JOB OWNERSHIP LTD., COMMONWEALTH MUTUAL AID, THE CENTRE FOR ALTERNATIVE INDUSTRIAL AND TECHNOLOGICAL SYSTEMS AND THE SOCIALIST ENVIRONMENT AND RESOURCES ASSOCIATION. SIXTY-TWO PERCENT OF BRITAIN'S WORKER

CO-OPERATIVES HAVE BEEN ESTABLISHED WITHIN THE LAST FOUR YEARS, AND A FURTHER EIGHTEEN PERCENT ARE NOT MUCH OLDER.

THE MONDRAGON CO-OPERATIVES ARE OWNED BY 22,000 WORKERS SPREAD OVER MORE THAN 100 SEPARATE ENTERPRISES, WITH AN ANNUAL TURNOVER IN EXCESS OF \$400 MILLION, AND AN UNEMPLOYMENT RATE WHICH, EVEN IN THE DEPTHS OF THE RECENT SPANISH DEPRESSION, TOTALLED LESS THAN HALF OF ONE PERCENT. FRANCE HAS 900 WORKER CO-OPERATIVES OWNED BY THE 35,000 MEMBERS OF THEIR WORKFORCE, AND IN ITALY 350,000 WORKERS ARE THE OWNERS OF 2,500 CO-OPERATIVES. CANADA CURRENTLY HAS BETWEEN 70 AND 80 WORKER CO-OPERATIVES AND ITS NATIONAL TASK FORCE ON CO-OPERATIVE DEVELOPMENT HAS RECOMMENDED STRONGLY THAT THE CREATION OF FURTHER WORKER CO-OPERATIVES SHOULD BE FOSTERED. HUNDREDS OF THOUSANDS OF DANES, ISRAELIS, POLES, PORTUGESE, SWEDES, SWISS, WEST GERMANS AND YUGOSLAVS ARE WORKER CO-OPERATIVE MEMBERS. IN THE EUROPEAN ECONOMIC COMMUNITY ALONE, THE NUMBER OF WORKER CO-OPERATIVES ROSE BETWEEN 1970 AND 1981, FROM 4,688 TO 12,688, WHILE THE NUMBER OF WORKER CO-OPERATIVE MEMBERS INCREASED OVER THE SAME PERIOD FROM 197,000 TO 469,000. EARLIER THIS YEAR, THE GREATER LONDON ENTERPRISE BOARD, IN CONJUNCTION WITH OTHER SECTIONS OF THE BRITISH CO-OPERATIVE MOVEMENT, ORGANISED THE FIRST-EVER CO-OP TRADE FAIR AND CONFERENCE. THE FAIR BROUGHT TOGETHER FOR THE FIRST TIME MORE THAN 100 WORKER CO-OPERATIVES, DRAWN NOT ONLY FROM THE UNITED KINGDOM, BUT FROM FRANCE AND SPAIN. WE SHOULD ALL BE INFORMED AND INSPIRED BY THIS RICH STORE OF RECENT CO-OPERATIVE EXPERIENCE, ACHIEVEMENT AND INNOVATION.

BENEFITS

WORLDWIDE, A WAVE OF NEW CO-OPERATIVE DEVELOPMENT IS RISING, IN WHICH, CLEARLY, AUSTRALIA MUST INVOLVE ITSELF. AS FRANCE'S MINISTER FOR AGRICULTURE, MICHAEL ROCARD, POINTED OUT, AT THE

FLORENCE CONFERENCE ON CO-OPERATION, CO-OPERATIVES REPRESENT FOR THE NON-COMMUNIST WORLD A MIDDLE-WAY BETWEEN A WELFARE STATE WHICH EVERYWHERE IS BECOMING OVER-EXTENDED TO THE POINT OF COLLAPSE, AND A LAISSEZ-FAIRE CAPITALISM WHICH EVERYWHERE IS BANKRUPT AND DISCREDITED. AS AUSTRALIA'S MINISTER FOR SCIENCE AND TECHNOLOGY, BARRY JONES HAS NOTED, AUSTRALIA IS AMONG A NUMBER OF RESOURCE-RICH COUNTRIES WHICH HAVE EXPERIENCED "TRUNCATED DEVELOPMENT" AS A RESULT OF KEY SECTIONS OF THEIR ECONOMIES HAVING FALLEN INTO FOREIGN HANDS. WE HAVE FALLEN BEHIND IN TERMS OF RESEARCH AND DEVELOPMENT BECAUSE, OVERWHELMINGLY, THE SUBSIDIARIES OF TRANSNATIONAL CORPORATIONS WHICH INCREASINGLY HAVE COME TO DOMINATE THE AUSTRALIAN ECONOMY HAVE THESE VITAL FUNCTIONS PERFORMED FOR THEM ELSEWHERE. WORKER CO-OPERATIVES HAVE NO ABSENTEE PARENTS TO STIFLE THE THRUST TO SELF-SUFFICIENCY. EVERYTHING THAT HAS TO BE DONE TO ACHIEVE ECONOMIC VIABILITY TAKES PLACE WITHIN THE CO-OPERATIVE ITSELF. THE BENEFITS ACCRUE DIRECTLY TO THE MEMBERS OF THE CO-OPERATIVE, AND, THROUGH THEM TO THE WIDER SOCIETY OF WHICH, INEXTRICABLY, THE CO-OPERATIVE IS A PART. MONDRAGON DEMONSTRATES DEFINITIVELY HOW RESEARCH, DEVELOPMENT AND THE EXERCISE OF INSIGHT, IMAGINATION AND INGENUITY THRIVE IN A WORKER CO-OPERATIVE ENVIRONMENT. THE MEMBERSHIP OF THE MONDRAGON RESEARCH CO-OPERATIVE - THE CENTRE DE INVESTIGACIONES TECHNOLOGICAS - INCLUDES MORE THAN SIXTY SCIENTISTS AND ENGINEERS.

THERE IS A FURTHER MATTER. CLEARLY INDIVIDUAL MUNICIPALITIES, TOWNS AND OTHER LOCAL COMMUNITIES HAVE MUCH TO GAIN AND MUCH TO GIVE IN DEVELOPING WORKER CO-OPERATIVES. PROFITS OF WORKER CO-OPERATIVES ARE NOT TRANSFERRED ELSEWHERE, BUT RETAINED LOCALLY FOR DISTRIBUTION AMONG MEMBERS WHO SHOP LOCALLY, FOR REINVESTMENT INVOLVING LOCAL PURCHASES OF CONTRACTS, AND FOR DIRECT GIVING FOR COMMUNITY FACILITIES AND SERVICES. JOB

DISCRIMINATION IS TACKLED LOCALLY WHERE WORKER CO-OPERATIVES TAKE AFFIRMATIVE ACTION ON BEHALF OF GROUPS SUCH AS WOMEN, ETHNIC MINORITIES, THE DISABLED AND OLDER PEOPLE, WHOSE INTERESTS ARE LIKELY TO BE HARDEST HIT UNDER CONDITIONS OF HIGH UNEMPLOYMENT. THE EXPERIENCE OF WORKPLACE DEMOCRACY FOSTERS MORE ACTIVE PARTICIPATION IN COMMUNITY AFFAIRS AND GREATER ACCEPTANCE OF PERSONAL RESPONSIBILITY FOR COMMUNITY WELL-BEING. THE STABILITY OF THE LOCAL ECONOMY IS ENHANCED, BECAUSE THE CO-OPERATIVES ARE NOT SUBJECT TO TAKEOVER BY REMOTE CORPORATIONS AND OTHER OUTSIDE GROUPS. IT IS INCONTESTABLE THAT SIGNIFICANT NUMBERS OF THE FIRMS WHICH HAVE GONE OUT OF BUSINESS RECENTLY WOULD STILL BE FLOURISHING IF THEY HAD NOT BEEN SUBSIDIARIES OF INTERESTS OVERSEAS.

CO-OPERATIVES WORK. OUR NEED FOR WHAT THEY HAVE TO OFFER IS PATENT AND PRESSING. THE SUPPORT SERVICES THEY REQUIRE ARE WITHIN OUR MEANS. ACCESS TO CO-OPERATIVE MEMBERSHIP SHOULD BE OPENED UP AS SPEEDILY AS POSSIBLE FOR ALL THE VICTORIANS WHOSE WELL-BEING IT CAN BENEFIT BOTH ECONOMICALLY AND SOCIALLY. ACHIEVING THIS GOAL WILL DRAW HEAVILY ON THE GOOD-WILL AND RESOURCES BOTH OF GOVERNMENT AND OF THE CO-OPERATIVE MOVEMENT. THE MOVEMENT, FOR ITS PART, HAS THE CAPACITY TO BACK-UP THE NEW CO-OPERATIVES WITH THE WEALTH OF WISDOM AND EXPERIENCE WHICH IS AT ITS DISPOSAL. THE ESTABLISHMENT OF THE MINISTERIAL ADVISORY COMMITTEE ON CO-OPERATION, TOGETHER WITH REPEATED STATEMENTS BY THE PRIME MINISTER AND THE MINISTER FOR INDUSTRIAL RELATIONS ARE CLEAR EVIDENCE OF GOVERNMENT GOOD-WILL AT BOTH THE STATE AND FEDERAL LEVELS. EVEN SO, THE WAY AHEAD WILL NOT BE EASY. THE NEW CO-OPERATIVES WILL NOT BE ABLE EASILY TO ESTABLISH THEMSELVES IN AN INDIFFERENT OR UNCOMPREHENDING ECONOMIC ENVIRONMENT, NOR WILL THEIR CONTRIBUTION TO CREATING

A MORE DEMOCRATIC, STABLE AND PRODUCTIVE ECONOMY AND SOCIETY BE ACHIEVED OVERNIGHT. WE SHOULD SETTLE FOR NOTHING SHORT OF A CLEAR RECOGNITION THAT CO-OPERATIVES ARE AT LEAST EQUAL IN THEIR POTENTIAL TO PRIVATELY-OWNED BUSINESS AND THE PUBLIC SECTOR, AND EQUALLY DESERVING OF THE RECOGNITION AND ATTENTION OF THE NATION'S DECISION MAKERS. THE GAINS, ULTIMATELY, WILL FAR EXCEED THE COST.